

February 20, 2004

The Honorable Jon Dudas
Acting Under Secretary of Commerce for Intellectual Property and
Acting Director of the United States Patent and Trademark Office
2121 Crystal Drive
Crystal Park II
Suite 906
Arlington, VA 22202

Request For Comments Regarding the Equities
of Inter Partes Reexamination Proceedings
68 Federal Register 75217 (December 30, 2003)

Dear Mr. Under Secretary,

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments regarding the equities of inter partes reexamination proceedings in response to the notice and invitation published at 68 Fed. Reg. 75217 (December 30, 2003).

AIPLA is a national bar association whose more than 15,000 members are primarily lawyers in private and corporate practice, in government service, and in the academic community. The AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

AIPLA has long supported inter partes reexamination to provide third parties with an efficient, effective, and relatively inexpensive procedure for the Office to evaluate whether the claims of an issued patent were valid, overly broad, or should not have been issued at all. Recent amendments to the inter partes reexamination system now permit third party appeals and participation in patent owner appeals to the Federal Circuit, and allow the reconsideration of prior art considered by the Office in the original examination. These changes are needed improvements and have removed some of the deterrents to use of the present system. However, other features remain that still unduly limit use of this procedure.

Among the features of inter partes reexamination most often mentioned as being unfair to both competitors and the public's interest in having only valid patents granted are the following:

- (1) statutory estoppels created by participation in inter partes reexamination in the absence of the availability of discovery¹;
- (2) limits on the issues that can be raised²;
- (3) limits on the range of patents eligible³; and
- (4) imbalance between duties owed to the USPTO by the patent owner and a third party Requester.⁴

We recognize that these are features of the law that the USPTO does not control or manage. We are not aware of any problems with the USPTO administration of the current inter partes system, but this is not true with ex parte reexamination, where lack of special dispatch and inadequate supervisory review and management oversight detract from the usefulness of the system. The attractiveness and reliability of any post-grant system is, and will be heavily dependent on, the perception and reality that the USPTO can make it work efficiently, effectively, and fairly.

AIPLA has created a Special Committee on Patent Legislative Strategies to focus on legislative changes that are desirable and achievable for the US patent system in the near term. As in the recent FTC Report, one of the initiatives identified by the Committee is a post-grant opposition proceeding that contains an ideal mix of features for an efficient, effective, and fair resolution of new patentability issues that are typically addressed in the USPTO examination process. The challenge is significant, for no country or office has truly achieved an opposition system that is widely recognized as achieving these worthy goals, but the time is right to make another effort.

Our consideration of what features an ideal post-grant opposition proceeding should contain is far from complete. We will continue to follow the parallel effort being made by the USPTO and to review the systems of other nations. However, some features, not yet formally approved by the AIPLA Board of Directors, have been tentatively identified by the Special Committee and are being seriously discussed at this time. Among those features are:

¹ See §§ 315(c) and 317(b).

² Limited to prior art consisting of "patents or printed publications," §§ 301 and 311(a).

³ Applies only to patents issued on applications filed on or after Nov. 29, 1999.

⁴ Third party requester has no duty of candor and good faith.

- (1) a requirement that an opposition request be made within 9 months of patent grant, unless the patentee and requester agree to a later request (perhaps beginning as a pilot program);
- (2) the grounds on which an opposition can be requested should generally include sections 102 and 103 (based on patents or publications) and section 112, 1st and 2nd paragraphs;⁵
- (3) all direct evidence should be presented by declaration, with a declarant subject to cross-examination by deposition;
- (4) all parties to the opposition proceeding should be subject to a duty of candor and good faith;
- (5) oppositions should be assigned to an administrative patent judge;
- (6) patentees and requesters should have the same rights to appeal as in current inter partes reexamination;
- (7) there should be no statutory estoppels based on participation, at least in an opposition brought during the first nine months; and
- (8) a final USPTO determination should normally be reached in one year from request, with a 6-month extension possible upon a showing of good cause.

As noted above, the Association will continue to refine its thinking on the optimum post-grant opposition procedures for the US patent system, building upon the past work of the Association, the best of the foreign opposition systems, and the new ideas in the USPTO Strategic Plan. We look forward to working with the Office in the design of such a system.

Sincerely,

A handwritten signature in black ink, reading "Michael K. Kirk". The signature is fluid and cursive, with the first name "Michael" and last name "Kirk" clearly distinguishable.

Michael K. Kirk
Executive Director
AIPPLA

⁵ This excludes consideration of: "known or used by others in this country" required in § 102(a); "in public use or on sale" required in § 102(b); § 102(c); § 102(f); § 102(g); and "best mode" required in § 112 (first paragraph).